



BERBERICH TRAHAN & CO., P.A.

Certified Public Accountants

JEFFERSON COUNTY NORTH
UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

FINANCIAL STATEMENTS

Year Ended June 30, 2011

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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Jefferson County North Unified School District No. 339:

We have audited the financial statements of Jefferson County North Unified School District No. 339 (the District), as of and for the year ended June 30, 2011, as listed in the accompanying table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the District has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the District as of June 30, 2011, or changes in financial position thereof for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of the District as of June 30, 2011, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 2.



In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Berberich Trehan & Co., P.A.

December 7, 2011

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JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Year Ended June 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances
General fund	\$ (317,570)	\$ -
Supplemental general	(149,812)	-
Special revenue funds:		
Capital outlay	433,787	-
Driver training	7,091	-
Food service	61,344	-
Professional development	2,592	-
Summer school	11,728	-
Special education	278,618	-
Extraordinary school program	1,788	-
Vocational education	27,798	-
Federal grants	3,433	-
KPERs special retirement contribution	(106,680)	-
At-Risk K - 12	20,000	-
At-Risk 4 year old	8,000	-
Parent education program	5,000	-
Contingency reserve	205,478	-
Textbook rental	83,819	-
Other grants	11,421	-
District activity	3,617	-
Debt service fund:		
Bond and interest	485,295	-
	\$ 1,076,747	\$ -

Composition of cash

Kendall State Bank:

 Checking - NOW Account
 Checking - High school activity
 Checking - Elementary and Middle school activity
 Money Market

Total Cash

Agency Funds per Statement 4

Total Reporting Entity (Excluding Agency Funds)

See accompanying notes to financial statements.

Statement 1

Cash Receipts		Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance				
\$	3,725,027	\$	3,698,699	\$	(291,242)	\$	284,351	\$	(6,891)
	1,329,459		1,216,681		(37,034)		60,916		23,882
	191,811		191,481		434,117		86,125		520,242
	6,460		4,228		9,323		2,694		12,017
	237,632		238,010		60,966		16,422		77,388
	10,000		2,405		10,187		-		10,187
	-		-		11,728		-		11,728
	768,310		675,555		371,373		29		371,402
	15,569		11,299		6,058		1,623		7,681
	169,943		133,444		64,297		11,283		75,580
	141,377		144,426		384		20,417		20,801
	285,902		179,222		-		-		-
	216,000		150,520		85,480		21,650		107,130
	86,550		53,224		41,326		9,092		50,418
	10,300		5,300		10,000		-		10,000
	-		-		205,478		-		205,478
	38,268		10,494		111,593		4,056		115,649
	-		6,340		5,081		5,511		10,592
	25,678		24,018		5,277		-		5,277
	527,160		524,770		487,685		-		487,685
\$	7,785,446	\$	7,270,116	\$	1,592,077	\$	524,169	\$	2,116,246

\$	510,455
	46,906
	17,286
	<u>1,600,515</u>
	2,175,162
	<u>(58,916)</u>
\$	<u>2,116,246</u>

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Year Ended June 30, 2011

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General fund	\$ 3,755,232	\$ (123,750)	\$ 67,217	\$ 3,698,699	\$ 3,698,699	\$ -
Supplemental general	1,238,891	(22,210)	-	1,216,681	1,216,681	-
Special revenue funds:						
Capital outlay	265,000	-	-	265,000	191,481	(73,519)
Driver training	5,705	-	-	5,705	4,228	(1,477)
Food service	273,632	-	-	273,632	238,010	(35,622)
Professional development	2,593	-	-	2,593	2,405	(188)
Summer school	8,510	-	-	8,510	-	(8,510)
Special education	720,095	-	-	720,095	675,555	(44,540)
Extraordinary school program	13,010	-	-	13,010	11,299	(1,711)
Vocational education	136,100	-	-	136,100	133,444	(2,656)
Federal grants	155,030	-	-	155,030	144,426	(10,604)
KPERS special retirement contribution	246,371	-	-	246,371	179,222	(67,149)
At-Risk K - 12	246,530	-	-	246,530	150,520	(96,010)
At-Risk 4 year old	58,000	-	-	58,000	53,224	(4,776)
Parent education program	10,000	-	-	10,000	5,300	(4,700)
Debt service fund:						
Bond and interest	524,770	-	-	524,770	524,770	-
Totals	<u>\$ 7,659,469</u>	<u>\$ (145,960)</u>	<u>\$ 67,217</u>	<u>\$ 7,580,726</u>	<u>\$ 7,229,264</u>	

See accompanying notes to financial statements.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

GENERAL FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 258,838	\$ 258,037	\$ (801)
Delinquent tax	3,300	6,148	2,848
State aid:			
Equalization aid	2,945,505	2,727,048	(218,457)
Special education aid	482,080	486,362	4,282
Federal aid:			
Stabilization aid	65,509	180,215	114,706
Reimbursed expenses	-	67,217	67,217
Total cash receipts	<u>\$ 3,755,232</u>	<u>3,725,027</u>	<u>\$ (30,205)</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 1,879,000	1,821,295	\$ (57,705)
Student support services	88,072	91,983	3,911
Instructional support staff	59,350	61,457	2,107
General administration	190,440	213,122	22,682
School administration	277,250	335,472	58,222
Operations and maintenance	378,175	354,831	(23,344)
Transportation	222,705	180,409	(42,296)
Transfers out	660,240	640,130	(20,110)
Budget adjustment to comply with legal maximum	(123,750)		123,750
Budget adjustment for qualifying budget credits	67,217		(67,217)
Total expenditures, encumbrances and transfers	<u>\$ 3,698,699</u>	<u>3,698,699</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		26,328	
Unencumbered cash, beginning		(317,570)	
Unencumbered cash, ending		<u>\$ (291,242) *</u>	

* See Note 10 for statutory basis unencumbered cash balance.

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

SUPPLEMENTAL GENERAL FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 394,610	\$ 395,213	\$ 603
Delinquent tax	4,838	9,334	4,496
Motor vehicle tax	60,053	50,207	(9,846)
Recreational vehicle tax	729	633	(96)
16/20M truck tax	-	5,546	5,546
State aid:			
Supplemental aid	777,900	868,526	90,626
Total cash receipts	<u>\$ 1,238,130</u>	<u>1,329,459</u>	<u>\$ 91,329</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 306,515	227,339	\$ (79,176)
Student support services	25,000	606	(24,394)
Instructional support staff	15,000	6,165	(8,835)
General administration	101,000	59,549	(41,451)
School administration	21,471	6,807	(14,664)
Operations and maintenance	241,405	159,380	(82,025)
Transportation	7,500	-	(7,500)
Transfers out	521,000	756,835	235,835
Budget adjustment to comply with legal maximum	(22,210)		22,210
Total expenditures, encumbrances and transfers	<u>\$ 1,216,681</u>	<u>1,216,681</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		112,778	
Unencumbered cash, beginning		(149,812)	
Unencumbered cash, ending		<u>\$ (37,034) *</u>	

* See Note 10 for statutory basis unencumbered cash balance.

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JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

CAPITAL OUTLAY FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
	<hr/>	<hr/>	<hr/>
Cash receipts and transfers:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 45,040	\$ 44,442	\$ (598)
Delinquent tax	570	740	170
Motor vehicle tax	3,988	3,070	(918)
Recreational vehicle tax	49	40	(9)
16/20M truck tax	-	219	219
Miscellaneous	-	25,654	25,654
Investment income	-	5,691	5,691
Transfers in	-	111,955	111,955
	<hr/>	<hr/>	<hr/>
Total cash receipts and transfers	<u>\$ 49,647</u>	<u>191,811</u>	<u>\$ 142,164</u>
	<hr/>	<hr/>	<hr/>
Expenditures and encumbrances:			
Instruction	\$ 15,000	2,495	\$ (12,505)
Support services	15,000	-	(15,000)
School administration	-	5,216	5,216
Operations and maintenance	135,000	46,975	(88,025)
Transportation	100,000	110,759	10,759
Food service	-	3,122	3,122
Land acquisition and improvement	-	22,914	22,914
	<hr/>	<hr/>	<hr/>
Total expenditures and encumbrances	<u>\$ 265,000</u>	<u>191,481</u>	<u>\$ (73,519)</u>
	<hr/>	<hr/>	<hr/>
Cash receipts and transfers over expenditures and encumbrances		330	
Unencumbered cash, beginning		<u>433,787</u>	
Unencumbered cash, ending		<u>\$ 434,117</u>	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

DRIVER TRAINING FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Local revenue	\$ 3,500	\$ -	\$ (3,500)
State aid:			
Driver training	2,100	6,460	4,360
Total cash receipts	<u>\$ 5,600</u>	<u>6,460</u>	<u>\$ 860</u>
Expenditures and encumbrances:			
Instruction	\$ 5,705	3,808	\$ (1,897)
Vehicle operation	-	420	420
Total expenditures and encumbrances	<u>\$ 5,705</u>	<u>4,228</u>	<u>\$ (1,477)</u>
Cash receipts over expenditures and encumbrances		2,232	
Unencumbered cash, beginning		<u>7,091</u>	
Unencumbered cash, ending		<u>\$ 9,323</u>	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

FOOD SERVICE FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Federal aid:			
Child nutrition programs	\$ 100,976	\$ 102,544	\$ 1,568
State aid:			
School food assistance	2,345	2,773	428
Charges for services	111,545	111,455	(90)
Transfers in	24,000	20,000	(4,000)
Reimbursements	-	860	860
	<hr/>	<hr/>	<hr/>
Total cash receipts and transfers	<u>\$ 238,866</u>	<u>237,632</u>	<u>\$ (1,234)</u>
Expenditures and encumbrances:			
Operations and maintenance	\$ 15,562	8,016	\$ (7,546)
Food service operation	258,070	229,994	(28,076)
	<hr/>	<hr/>	<hr/>
Total expenditures and encumbrances	<u>\$ 273,632</u>	<u>238,010</u>	<u>\$ (35,622)</u>
Cash receipts and transfers under expenditures and encumbrances		(378)	
Unencumbered cash, beginning		<hr/> 61,344	
Unencumbered cash, ending		<u><u>\$ 60,966</u></u>	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

PROFESSIONAL DEVELOPMENT FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Transfers in	\$ -	\$ 10,000	\$ 10,000
Expenditures:			
Instructional support staff	\$ 2,593	2,405	\$ (188)
Transfers over expenditures		7,595	
Unencumbered cash, beginning		2,592	
Unencumbered cash, ending		\$ 10,187	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

SUMMER SCHOOL FUND

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Expenditures:			
Instruction	<u>\$ 8,510</u>	<u>\$ -</u>	<u>\$ (8,510)</u>
Unencumbered cash, beginning		<u>11,728</u>	
Unencumbered cash, ending		<u>\$ 11,728</u>	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

SPECIAL EDUCATION FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
	<hr/>	<hr/>	<hr/>
Cash receipts and transfers:			
Other revenue	\$ -	\$ 3,093	\$ 3,093
Transfers in	692,080	765,217	73,137
	<hr/>	<hr/>	<hr/>
Total cash receipts and transfers	<u>\$ 692,080</u>	<u>768,310</u>	<u>\$ 76,230</u>
	<hr/>	<hr/>	<hr/>
Expenditures and encumbrances:			
Instruction	\$ 692,080	645,994	\$ (46,086)
Transportation	28,015	29,561	1,546
	<hr/>	<hr/>	<hr/>
Total expenditures and encumbrances	<u>\$ 720,095</u>	<u>675,555</u>	<u>\$ (44,540)</u>
	<hr/>	<hr/>	<hr/>
Cash receipts and transfers over expenditures and encumbrances		92,755	
Unencumbered cash, beginning		<u>278,618</u>	
Unencumbered cash, ending		<u><u>\$ 371,373</u></u>	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

EXTRAORDINARY SCHOOL PROGRAM FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Tuition/class fees	\$ 10,000	\$ 8,569	\$ (1,431)
Transfers in	<u>2,000</u>	<u>7,000</u>	<u>5,000</u>
Total cash receipts and transfers	<u>\$ 12,000</u>	15,569	<u>\$ 3,569</u>
Expenditures and encumbrances:			
Instruction	<u>\$ 13,010</u>	<u>11,299</u>	<u>\$ (1,711)</u>
Cash receipts and transfers over expenditures and encumbrances		4,270	
Unencumbered cash, beginning		<u>1,788</u>	
Unencumbered cash, ending		<u>\$ 6,058</u>	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

VOCATIONAL EDUCATION FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Transfers in	\$ 158,160	\$ 169,943	\$ 11,783
Expenditures and encumbrances:			
Instruction	\$ 136,100	133,444	\$ (2,656)
Transfers over expenditures and encumbrances		36,499	
Unencumbered cash, beginning		27,798	
Unencumbered cash, ending		\$ 64,297	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

FEDERAL GRANTS FUND

Year Ended June 30, 2011

	<u>Title I</u>
Cash receipts:	
Federal funds:	
Grants	<u>\$ 74,031</u>
Expenditures and encumbrances:	
Instruction	75,384
Student support services	-
Transportation	<u>-</u>
Total expenditures and encumbrances	<u>75,384</u>
Cash receipts under expenditures and encumbrances	(1,353)
Unencumbered cash, beginning	<u>1,353</u>
Unencumbered cash, ending	<u><u>\$ -</u></u>

(Continued)

Teacher Quality Title II	Education Technology Title II-D	REAP	Total Actual	Budget	Variance Over (Under)
<u>\$ 20,511</u>	<u>\$ 1,441</u>	<u>\$ 45,394</u>	<u>\$ 141,377</u>	<u>\$ 152,682</u>	<u>\$ (11,305)</u>
3,997	-	25,774	105,155	\$ 133,068	\$ (27,913)
18,210	1,441	-	19,651	21,962	(2,311)
<u>-</u>	<u>-</u>	<u>19,620</u>	<u>19,620</u>	<u>-</u>	<u>19,620</u>
<u>22,207</u>	<u>1,441</u>	<u>45,394</u>	<u>144,426</u>	<u>\$ 155,030</u>	<u>\$ (10,604)</u>
(1,696)	-	-	(3,049)		
<u>2,080</u>	<u>-</u>	<u>-</u>	<u>3,433</u>		
<u>\$ 384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384</u>		

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
Cash receipts:			
State aid	\$ 246,371	\$ 285,902	\$ 39,531
Expenditures:			
Instruction	\$ 160,000	114,728	\$ (45,272)
Support services	7,500	9,118	1,618
Instructional support	5,800	-	(5,800)
General administration	13,071	10,159	(2,912)
School administration	25,000	19,371	(5,629)
Operations and maintenance	15,000	14,303	(697)
Transportation	12,000	6,197	(5,803)
Food service	8,000	5,346	(2,654)
Total expenditures	\$ 246,371	179,222	\$ (67,149)
Cash receipts over expenditures		106,680	
Unencumbered cash, beginning		(106,680)	
Unencumbered cash, ending		\$ -	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

AT-RISK K - 12 FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Transfers in	\$ 250,000	\$ 216,000	\$ (34,000)
Expenditures and encumbrances:			
Instruction	\$ 213,230	120,274	\$ (92,956)
Support services	33,300	30,246	(3,054)
Total expenditures and encumbrances	\$ 246,530	150,520	\$ (96,010)
Transfers in over expenditures and encumbrances		65,480	
Unencumbered cash, beginning		20,000	
Unencumbered cash, ending		\$ 85,480	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

AT-RISK 4 YEAR OLD FUND

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers in	\$ 50,000	\$ 86,550	\$ 36,550
Expenditures and encumbrances:			
Instruction	\$ 58,000	53,224	\$ (4,776)
Transfers in over expenditures and encumbrances		33,326	
Unencumbered cash, beginning		8,000	
Unencumbered cash, ending		\$ 41,326	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

PARENT EDUCATION PROGRAM FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Transfers in	\$ 5,000	\$ 10,300	\$ 5,300
Expenditures:			
Student support services	\$ 10,000	5,300	\$ (4,700)
Transfers in over expenditures		5,000	
Unencumbered cash, beginning		5,000	
Unencumbered cash, ending		\$ 10,000	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
(Continued)

BOND AND INTEREST FUND

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 225,593	\$ 219,575	\$ (6,018)
Delinquent tax	2,825	5,888	3,063
Motor vehicle tax	36,158	30,296	(5,862)
Recreational vehicle tax	439	382	(57)
16/20M truck tax	-	3,386	3,386
State aid:			
State bond payments	267,633	267,633	-
Total cash receipts	<u>\$ 532,648</u>	<u>527,160</u>	<u>\$ (5,488)</u>
Expenditures:			
Principal	\$ 470,000	470,000	\$ -
Interest	54,770	54,770	-
Total expenditures	<u>\$ 524,770</u>	<u>524,770</u>	<u>\$ -</u>
Cash receipts over expenditures		2,390	
Unencumbered cash, beginning		<u>485,295</u>	
Unencumbered cash, ending		<u>\$ 487,685</u>	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

CONTINGENCY RESERVE FUND

Year Ended June 30, 2011

Unencumbered cash, beginning	<u>\$ 205,478</u>
Unencumbered cash, ending	<u><u>\$ 205,478</u></u>

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

TEXTBOOK RENTAL FUND

Year Ended June 30, 2011

Cash receipts:	
Charges for services	\$ 38,268
Expenditures and encumbrances:	
Instruction	<u>10,494</u>
Cash receipts over expenditures and encumbrances	27,774
Unencumbered cash, beginning	<u>83,819</u>
Unencumbered cash, ending	<u><u>\$ 111,593</u></u>

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

OTHER GRANTS FUND

Year Ended June 30, 2011

Expenditures and encumbrances:	
Student support services	\$ 6,340
Unencumbered cash, beginning	<u>11,421</u>
Unencumbered cash, ending	<u><u>\$ 5,081</u></u>

See accompanying notes to financial statements.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

AGENCY FUNDS

Year Ended June 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Middle School:				
Activity	\$ 4,310	\$ 6,516	\$ 5,972	\$ 4,854
Pep Club	8,364	6,860	12,133	3,091
Cheerleading	2,691	4,190	6,718	163
Leadership council	3,180	8,887	8,480	3,587
MS book fair	480	-	-	480
Recycling	711	-	-	711
Coke	2,025	3,418	3,122	2,321
Knowledge bowl	1,115	3,872	2,909	2,078
Subtotal Middle School	22,876	33,743	39,334	17,285
High School:				
Activity	2	635	631	6
Senior class	280	2,906	2,976	210
Junior class	2,973	12,944	12,383	3,534
Sophomore class	1,738	2,992	3,225	1,505
Freshman class	200	(200)	-	-
Entrepreneurship	1,717	5,812	6,970	559
FBLA	472	19,993	18,051	2,414
Gifted	203	715	426	492
Spanish	2,064	-	-	2,064
Forensics	367	604	601	370
Letter club	2,514	145	210	2,449
Music	2,393	16,791	8,582	10,602
National honor society	21	-	-	21
Pep club/cheerleaders	908	6,319	6,579	648
Speech and drama	2,457	9,247	7,750	3,954
STUCO	3,415	3,988	2,302	5,101
Yearbook	4,354	6,544	6,237	4,661
Volleyball letter club	770	6,349	5,415	1,704
Scholarbowl	68	592	369	291
North Stars Dance Team	3,033	1,239	3,226	1,046
Subtotal High School	29,949	97,615	85,933	41,631
Total student organization funds	\$ 52,825	\$ 131,358	\$ 125,267	\$ 58,916

See accompanying notes to financial statements.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Year Ended June 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate receipts:							
High school athletics	\$ 3,617	\$ -	\$ 25,678	\$ 24,018	\$ 5,277	\$ -	\$ 5,277

See accompanying notes to financial statements.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1 - Reporting Entity

Jefferson County North Unified School District No. 339 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all of the accounts for which the District is considered to be financially accountable. The District has no component units.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2011:

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources of the District except those required to be accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by legal or administrative action and to account for expenditures for specified purposes.

Debt Service Fund is used to account for the accumulation of resources for and the payment of interest, principal and related costs on long-term debt.

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure is charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the District to use the statutory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance since encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental general fund, special revenue funds (unless specifically exempted by statute) and the debt service fund. The statutes suggest for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no budget amendments for the year ended June 30, 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

A legal operating budget is not required for agency funds and the following special revenue funds:

Contingency Reserve, Textbook Rental, Other Grants and District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

(d) Compensated Absences

The District pays all employees for unused personal days at the end of the contract year. Certified and administrative personnel are compensated at the rate of \$ 80 per day of unused personal leave. Non-certified personnel are compensated at the rate of 50% of their hourly rate for any unused personal leave that the employee does not wish to carry over to the next year. Sick leave vested at June 30, 2011 is paid upon termination for employees who have worked for the District at least 15 years and are eligible for retirement.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(f) Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. The related disbursement was made in the current year on behalf of the payee.
2. The item paid for was directly identifiable as having been used by or provided to the payee, and
3. The amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

(g) Use of Estimates

The preparation of financial statements in compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statements and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had no investments as of June 30, 2011.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the District. At June 30, 2011, the District's deposits were not exposed to custodial credit risk.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - Long-term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2011 were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:										
Refunding	2.00% to 3.10%	6/1/2003	\$ 3,935,000	10/1/2013	\$ 2,065,000	\$ -	\$ 470,000		\$ 1,595,000	\$ 54,770
Capital leases:										
Energy conservation equipment	5.34%	1/13/2003	409,902	10/15/2017	224,538	-	23,230		201,308	11,990
Total contractual indebtedness					2,289,538	-	493,230		1,796,308	66,760
Compensated absences	N/A	N/A	N/A	N/A	111,635			16,852	128,487	
Total long-term debt					\$ 2,401,173	\$ -	\$ 493,230	\$ 16,852	\$ 1,924,795	\$ 66,760

Current maturities of long-term debt and interest are as follows:

	Year						
	2012	2013	2014	2015	2016	2017-2018	Total
Principal:							
General obligation bonds	\$ 495,000	\$ 525,000	\$ 575,000	\$ -	\$ -	\$ -	\$ 1,595,000
Capital lease	24,470	25,777	27,153	28,603	30,131	65,174	201,308
Total principal	\$ 519,470	\$ 550,777	\$ 602,153	\$ 28,603	\$ 30,131	\$ 65,174	\$ 1,796,308
Interest:							
General obligation bonds	\$ 41,000	\$ 25,700	\$ 8,913	\$ -	\$ -	\$ -	\$ 75,613
Capital lease	10,750	9,443	8,067	6,617	5,089	5,266	45,232
Total interest	\$ 51,750	\$ 35,143	\$ 16,980	\$ 6,617	\$ 5,089	\$ 5,266	\$ 120,845

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - Long-Term Debt (Continued)

Bond Indebtedness Limitation

The District is subject to K.S.A. 72-6761 which restricts the level of the authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District.

At June 30, 2011, based on the assessed valuation of \$ 15,361,603, the general obligation debt limit was \$ 2,150,624. The District's bonded indebtedness totaled \$ 1,595,000 less \$ 487,685 available in the bond and interest fund, which provides a general obligation debt margin of \$ 1,043,309.

5 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901 *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 established the KPERS member-employee contribution rate at 4% of covered salary for all employees hired prior to July 1, 2009. KSA 74-49, 210 establishes the KPERS member-employee contribution rate at 6% of covered salary for all employees hired after July 1, 2009. Member-employees' contributions are withheld by the District and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. The State of Kansas currently contributes 8.17% of covered payroll for April 1, 2011 to June 30, 2011 and 9.17% of covered payroll for July 1, 2010 to March 31, 2011. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$ 253,834,044, \$ 248,468,186, and \$ 242,277,363, respectively, equal to the statutory required contributions for each year.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - Leases

Operating Leases

The District has entered into operating leases for copiers and computer equipment. The leases contain cancellation provisions and are subject to annual appropriations. For the year ended June 30, 2011, rent expenditures were \$ 30,075 for these leases.

7 - Interfund Transfers

The District made the following interfund transfers during fiscal year 2011. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General fund	Special education	K.S.A. 72-6428	\$ 486,362
General fund	At-risk 4 year old	K.S.A. 72-6428	14,013
General fund	Capital outlay	K.S.A. 72-6428	111,955
General fund	Vocational education	K.S.A. 72-6428	14,000
General fund	At-risk K-12	K.S.A. 72-6428	13,800
Supplemental general	Extraordinary school	K.S.A. 72-6433	7,000
Supplemental general	Food service	K.S.A. 72-6433	20,000
Supplemental general	Professional development	K.S.A. 72-6433	10,000
Supplemental general	Parent education program	K.S.A. 72-6433	10,300
Supplemental general	Special education	K.S.A. 72-6433	278,855
Supplemental general	Vocational education	K.S.A. 72-6433	155,943
Supplemental general	At-risk K-12	K.S.A. 72-6433	202,200
Supplemental general	At-risk 4 year old	K.S.A. 72-6433	72,537

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

8 - Contingency

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2011.

9 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have not been significant reductions in coverage from prior years.

10 - Statutory Compliance

The District expended monies in excess of available cash in the General Fund and Supplemental General Fund. This was a result of K.S.A. 72-6417(d) and K.S.A. 72-6434(d) which require the District to record any payment of general state aid that is due to be paid during the month of June and is paid to the District after June 30, as receipt for the year ending on June 30. The monies due the District from the State were received in July 2011.

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

10 - Statutory Compliance (Continued)

The following shows the statutory revenues and expenditures compared to budget as required by these Statutes for the year ended June 30, 2011:

	General Fund		Variance Over (Under)
	Budget	Actual	
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 258,838	\$ 258,037	\$ (801)
Delinquent tax	3,300	6,148	2,848
State aid:			
Equalization aid	2,945,505	2,700,720	(244,785)
Special education aid	482,080	486,362	4,282
Federal aid:			
Stabilization aid	65,509	180,215	114,706
Reimbursed expenses	-	67,217	67,217
Total statutory revenues	<u>\$ 3,755,232</u>	<u>3,698,699</u>	<u>\$ (56,533)</u>
Expenditures:			
Instruction	\$ 1,879,000	1,821,295	\$ (57,705)
Student support services	88,072	91,983	3,911
Instructional support staff	59,350	61,457	2,107
General administration	190,440	213,122	22,682
School administration	277,250	335,472	58,222
Operations and maintenance	378,175	354,831	(23,344)
Transportation	222,705	180,409	(42,296)
Transfers out	660,240	640,130	(20,110)
Adjustment to comply with legal maximum	(123,750)		123,750
Legal general fund budget	3,631,482	3,698,699	67,217
Adjustment for qualifying budget credits	67,217		(67,217)
Total expenditures	<u>\$ 3,698,699</u>	<u>3,698,699</u>	<u>\$ -</u>
Statutory revenues under expenditures		-	
Modified unencumbered cash, beginning		<u>1</u>	
Modified unencumbered cash, ending		<u>\$ 1</u>	

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

10 - Statutory Compliance (Continued)

	Supplemental General Fund		
	Budget	Actual	Variance Over (Under)
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 394,610	\$ 395,213	\$ 603
Delinquent tax	4,838	9,334	4,496
Motor vehicle tax	60,053	50,207	(9,846)
Recreational vehicle tax	729	633	(96)
16/20M truck tax	-	5,546	5,546
State aid:			
Supplemental aid	777,900	761,463	(16,437)
Total statutory revenues	<u>\$ 1,238,130</u>	<u>1,222,396</u>	<u>\$ (15,734)</u>
Expenditures:			
Instruction	\$ 306,515	227,339	\$ (79,176)
Student support services	25,000	606	(24,394)
Instructional support staff	15,000	6,165	(8,835)
General administration	101,000	59,549	(41,451)
School administration	21,471	6,807	(14,664)
Operations and maintenance	241,405	159,380	(82,025)
Transportation	7,500	-	(7,500)
Transfers out	521,000	756,835	235,835
Budget adjustment to comply with legal maximum	(22,210)		22,210
Total expenditures	<u>\$ 1,216,681</u>	<u>1,216,681</u>	<u>\$ -</u>
Statutory revenues over expenditures		5,715	
Modified unencumbered cash, beginning		<u>762</u>	
Modified unencumbered cash, ending		<u>\$ 6,477</u>	



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Jefferson County North Unified School District No. 339:

We have audited the financial statements of Jefferson County North Unified School District No. 339 (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 7, 2011. Our report contained an adverse opinion because the financial statements were presented using accounting practices prescribed or permitted by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain control deficiencies that we reported to the management of the District in a separate letter dated December 7, 2011.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and passthrough entities and is not intended to be and should not be used by anyone other than those specified parties.

Berberick Trahan & Co., P.A.

December 7, 2011